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Provisional

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Friday, 16 January 2004, 10.30 a.m.

New York

President:	Mr. Muñoz	(Chile)
Members:	Algeria	Mr. Baali
	Angola	Mr. Augusto
	Benin	Mr. Zinsou
	Brazil	Mr. Valle
	China	Mr. Wang Guangya
	France	Mr. Duclos
	Germany	Mr. Trautwein
	Pakistan	Mr. Khalid
	Philippines	Mr. Baja
	Romania	Mr. Motoc
	Russian Federation	Mr. Konuzin
	Spain	Mr. Arias
	United Kingdom of Great Britain and Northern Ireland	Mr. Thomson
	United States of America	Mr. Negroponte

Agenda

The situation in the Middle East, including the Palestinian question

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04-20913 (E)

The meeting was called to order at 10.45 a.m.

Adoption of the agenda

The agenda was adopted.

The situation in the Middle East, including the Palestinian question

The President (*spoke in Spanish*): In accordance with the understanding reached in the Council's prior consultations, and in the absence of objection, I shall take it that the Security Council agrees to extend an invitation under rule 39 of its provisional rules of procedure to Mr. Kieran Prendergast, Under-Secretary-General for Political Affairs.

There being no objection, it is so decided.

The Security Council will now begin its consideration of the item on its agenda. The Council is meeting in accordance with the understanding reached in its prior consultations.

At this meeting, the Security Council will hear a briefing by Mr. Kieran Prendergast, Under-Secretary-General for Political Affairs. I now give him the floor.

Mr. Prendergast: I regret that, in briefing the Council today, I must confirm what we all know: that the past month has brought little or nothing by way of substantive moves towards peace. The narrow window of opportunity cited by Terje Roed-Larsen, Special Coordinator for the Middle East Peace Process and Special Representative of the Secretary-General to the Palestine Liberation Organization and the Palestinian Authority, in his briefing to the Council last month, has not opened wider. The peace process remains stalemated.

This situation is tragic. It is also frustrating, because the solution is evident, although to implement it would require courage and the political will to take risks for peace. The peace process will resume only when both parties recognize that their mutual concerns must be addressed through parallel steps, and not in a sequential manner littered with preconditions. Parallel steps are the approach adopted by the road map. If it is to succeed, a basic requirement is that Palestinians and Israelis acknowledge and address each other's core concerns.

The Government of Israel's most basic concern remains the security of the State and of the Israeli people. In response, as a necessary first step, the Palestinian Authority should take effective action to halt all acts of terror and violence against Israelis. The Palestinians' most basic concerns are territory and viability — meaning the end of occupation and the establishment of an independent, sovereign and viable State in the West Bank and Gaza Strip. In response, and also as a necessary first step, the Government of Israel should take effective action to halt settlement expansion, the construction of the separation barrier and all actions that work against the contiguity — and therefore the viability — of the State.

Despite initial contacts between the new Palestinian Government and the Government of Israel, both parties have continued to ignore each other's core concerns. Be it with regard to terror or territory, they have fallen short of carrying out their preliminary, Phase I commitments under the Quartet's road map.

The Palestinian Authority took no tangible measures during the past month to establish control over the various groups that use violence and terror. It has so far failed to reform its security apparatus or — as called for in the road map — to consolidate it under the single authority of an empowered interior minister. There is no indication that the Palestinian Authority intends to do so in the near future. At the same time, Palestinian militant factions have so far failed to agree on a comprehensive cessation of violence, although they continue their dialogue thanks to the tireless and very welcome efforts of the Government of Egypt.

Although Palestinian violence declined considerably overall last month, the absence of clear action on security makes it difficult for the Palestinian Authority to claim responsibility for this trend. In fact, the Government of Israel perceives the decline in violence as being the result of its military and security measures. In addition, the last month has seen a worrying deterioration in the Palestinian Authority's capability to maintain domestic law and order. If this trend continues, there could be more unrest on the Palestinian street, with negative repercussions for the governing control of the Authority.

The Government of Israel — including Prime Minister Sharon — has repeatedly committed itself to implementation of the road map. However, such statements have not been matched by action. Israel has not fulfilled its core commitment to remove all settlement outposts erected since March 2001 and, as

the security situation improves, to implement a complete settlement freeze. Quite the opposite has happened. Settlement outposts have increased and the Government of Israel is proceeding with the construction of the West Bank barrier. Together with other settlement infrastructure and a tight closure policy, this construction is fragmenting the West Bank into non-contiguous patches of territory and is eroding Palestinians' trust in the peace process. If this process continues, the West Bank will look more like Bophuthatswana than the basis for a viable and independent State.

In the face of this discouraging situation, the international community must maintain its involvement in the peace process. The Security Council adopted resolution 1515 (2003) calling for the implementation of the road map, and this sends a very positive signal to the parties. The General Assembly has asked the International Court of Justice to provide an advisory opinion on the legality of construction of the separation barrier. Quartet representatives continue their informal and ground-level consultation on how to bring the parties to implement the road map. However, it is all too apparent that the parties need a more vigorous involvement of the key players in the international community.

Both parties have explanations as to why the peace process appears deadlocked and why neither is implementing its road map commitments.

The Palestinian Authority explains that, to muster enough domestic support to act swiftly against violence and terror, it must have a political horizon. In its view, Palestinian extremists are strengthened by such Israeli actions as settlement expansion, barrier construction, tight closures, house demolitions and extrajudicial killings. If Israel ended these practices, the Palestinian Authority could, it says, more easily rally support among the Palestinian people and better confront extremists.

The Government of Israel explains that it continues these measures because it sees no genuine Palestinian action on security and terrorism. Thus, Israel will be ready to fulfil its commitments under the road map, it says, only when the Palestinian Authority acts swiftly against militant groups and dismantles what it terms the "terrorist infrastructure".

Unfortunately, developments on the ground during the last month have reinforced both parties' justification of the stalemate. In particular, both sides experienced a continuation of violence. Since our last briefing, 58 Palestinians have been killed. During the same period, 11 Israelis were killed. Almost 440 Palestinians and 65 Israelis have been wounded. On 25 December, a suicide bomber struck in the heart of Israel, killing four people and wounding more than 20 civilians. Yet again, on 14 January, a suicide bomber killed four Israeli soldiers and wounded 10 at Gaza's Erez crossing. In addition, more than 62 mortars and 38 rocket attacks on Israeli targets were launched from Palestinian areas.

Israel has resumed extrajudicial killings. On 25 December, Israeli helicopters fired two missiles at a civilian vehicle in Gaza City, killing two Palestinian militants and three bystanders and injuring 12 civilians. On 8 January, Israeli special forces assassinated a 31-year-old Palestinian national security officer. House demolitions have continued. During the reporting period, the Israeli authorities demolished 36 houses in Nablus, Hebron and the Jerusalem area.

The Israel Defence Forces (IDF) launched at least 15 incursions into Palestinian towns, villages and refugee camps, which often included the use of disproportionate and deadly force in civilian areas. An incursion into Rafah on 23 December took the lives of eight Palestinians and injured dozens of people, with children and civilians among the casualties. The Secretary-General strongly condemned the Israeli incursion and reminded Israel of its responsibilities as an occupying Power under international law.

Since the middle of December, the IDF has carried out almost daily major incursions into Nablus. On 26 December — the day after a terror attack — it launched a full-scale military operation in the historic old city of Nablus. To date, 10 Palestinians have been killed and more than 50 injured in Nablus. Several historic buildings and houses were damaged or destroyed. The old city was placed under almost continuous curfew and movement limited to humanitarian agencies.

The situation on the ground continues to cause great harm to the Palestinian economy. Israel's ongoing internal and external closures of the occupied Palestinian territory remain the central impediment to economic stabilization and recovery. Slight economic improvement has been observed in places, in part through IDF troops moving out of some of the major

Palestinian cities. But closure remains the defining reality for these areas, with roadblocks and, in some places, construction of the barrier almost completely halting movement. The closure system continues to impede the international community's efforts to deliver emergency and humanitarian aid. Improvements here and there will not change the rapidly deteriorating overall trends; only a political agreement can reverse those trends.

There have been some particularly disturbing economic developments that may have serious political and humanitarian consequences and further derail the peace process. At a major donor meeting of the Ad Hoc Liaison Committee held in Rome in December, donors and the parties discussed the first substantive review of the rising costs and complexity of aid delivery. One of the glaring examples was the direct costs of closure borne by the United Nations Relief and Works Agency for Palestine Refugees in the Near East alone — a total of $22,000 each day.

Furthermore, we are starting to witness serious signs of donor fatigue, which would have dramatic consequences both for the financial status of the Palestinian Authority and for the ongoing humanitarian relief effort. The Authority's financial situation is perilous, with the budgetary shortfall for 2004 estimated at $650 million. Donors' direct budget support dropped from $531 million in 2001 to $230 million last year. Palestinian tax revenues transferred by Israel are diminishing. Although Israel has handed over most of the withheld revenues, $190 million are still blocked by Israeli court orders.

The Palestinian Authority's expenditures are now outpacing revenues by $30 to $40 million per month. As a result, the Authority could not meet all its financial and budgetary obligations in December and was forced to cut further salaries, pensions and social support, even after it resorted to borrowing from the banks. At this stage, it is not clear how January public sector salaries will be paid, let alone other expenditures.

In response to this budgetary crisis, Prime Minister Abu Allah, Minister of Finance Fayyad and other Palestinian Authority officials have made major efforts to raise funds from western and Arab donors, but have had only modest success. Recognizing that the Palestinian Authority faces bankruptcy, the World Bank suggested at the Rome Ad Hoc Liaison Committee meeting that a trust fund be created to generate additional budgetary support from donors. That effort is now under way, and it deserves the support of the international community.

Against this backdrop of violence, misery and stagnation, both parties have threatened unilateral steps. Prime Minister Sharon stated his intention to implement unilaterally a separation plan if he concludes that the Palestinian side has failed to take effective action against violence. The Palestinian Authority, for its part, declared that it reserves the right to declare statehood unilaterally if Israel resorts to unilateral separation or, indeed, to reject the two-State solution altogether.

It must be stressed that in such a protracted conflict, unilateralism is a policy that will fuel additional violence, hatred and hostility. Peace and security can be achieved only when both sides work out a solution together, across the negotiating table, in the framework of recognized international agreements and with the active support and involvement of the international community.

It is still possible to move towards a negotiated settlement that would bring peace and security to the Middle East. The road map remains a viable and pragmatic plan. It outlines practical and reasonable steps that, if taken, would move the parties towards the achievement of a vision of two States, Israel and Palestine, living side by side in peace and security. It also outlines a framework for resuming negotiations between Israel and both Syria and Lebanon, taking all parties towards a comprehensive peace based on Security Council resolutions 242 (1967) and 338 (1973) — an outcome that is essential for long-term peace and stability in the Middle East. Yet the implementation of the road map needs recognition by the parties that unilateralism does not pay and that they should fulfil their obligations in parallel. It also requires the strong and consistent engagement of the international community, led by the Quartet.

As the Council knows, the calm that has long characterized the Israeli-Syrian front was broken last October. Since then, tension and threats of further hostile actions have been frequent. Recently, worrying reports outlined an Israeli plan to expand settlements on the Golan Heights. Although the reliability of those reports remains unclear, it should be noted, in any case, that settlement activities are illegal and must stop.

A resumption of the peace process on the Syrian and Lebanese tracks is needed to avoid a potential deterioration of the situation along this front. President Al-Assad of Syria has asked Israel to resume peace talks. We believe that it would be in the interest of peace and security that Israel respond positively to that overture. Resuming negotiations between the two countries would also renew hopes for peace in the region, reduce tension and enhance stability at a critical juncture.

Since the last briefing to the Security Council, the Blue Line between Lebanon and Israel has been calm, though still tense. On at least four occasions, Israeli jets have violated Lebanese airspace. We reiterate our calls on the Government of Israel to comply with Security Council resolutions 425 (1978) and 1310 (2000) and to refrain from such violations. There were no reports of anti-aircraft fire from Lebanon on any of those occasions, and we commend that restraint.

On 12 December and again on 4 January, the Israel Defence Forces informed the United Nations Interim Force in Lebanon (UNIFIL) that it had identified explosive devices on the Israeli side of the Blue Line. That development posed a risk to lives on both sides of the Line and had the potential to destabilize the area. We urge all parties to refrain from any actions that could lead to such destabilization, and we call on the Government of Lebanon to establish full control over south Lebanon in order to ensure that international peace and security prevail.

It is quite clear that the peace process in the Middle East has suffered serious setbacks. The hopes that were generated in Madrid in 1991 and in Oslo in 1993 now appear as distant memories. Yet the stakes are too high for us to allow the region to sink into despair and conflict.

The road to peace is clear. It is spelled out in Security Council resolution 1515 (2003), which endorses the road map. The international community agrees on the end goal: a comprehensive peace based on Security Council resolutions 242 (1967), 338 (1973) and 1397 (2002). We must revive our collective efforts to persuade the parties to move towards that goal. The dangers of inaction are great. Time is on no one's side.

The President (*spoke in Spanish*): I thank Mr. Prendergast for his comprehensive briefing on the situation in the Middle East, including the Palestinian question. Regrettably, his report gives no cause for optimism for the moment, but we thank him for the report's comprehensiveness and thoroughness.

In accordance with the understanding reached in the Council's prior consultations, the Council will now hold informal consultations to continue its consideration of the matter.

The meeting rose at 11.05 a.m.